



# Backgrounder: Energy

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## **Background:**

For businesses in Northern Michigan to grow and create jobs, they need access to affordable energy. Both employers and employees, however, are seeing an increasing amount of their incomes disappear to pay for higher gas and energy prices.

America is a nation blessed with abundant national resources. Responsibly extracting these resources will increase the domestic supply of energy and lower prices. Unfortunately, the Obama administration has failed to put forward a clear and coherent national energy policy and blocked efforts from the House majority to increase domestic energy supply like the Keystone XL Pipeline.

## **Dr. Benishek's View:**

### **America's Broken Tax Code...**

Dr. Benishek has repeatedly stated that he favors comprehensive tax reform to erase all subsidies, credits, and loopholes that favor one energy source over another. In a 10/12/2011 opinion editorial, Dr. Benishek stated: "The [tax] code is pitted with special tax breaks and giveaways that favor some businesses over others. Congress needs to work with the White House to make the code flatter, fairer and simpler so that individuals and businesses can keep more of their own money to invest in the economy."<sup>1</sup>

### **A Valuable Part of Michigan's Economy...**

Energy companies play a critical role in Michigan's economy. There are over 162,000 statewide jobs provided by the energy industry with an average salary of \$62,408 per employee.<sup>2</sup> Energy companies contribute \$8.3 billion to Michigan's labor income and \$16.8 billion to Michigan's overall economy.<sup>3</sup>

### **Soaring Prices at the Gas Pump...**

"As a longtime resident of Northern Michigan, I understand the long distances one must travel to get to work and school and the severe impact high pump prices have on family budgets. While there is no one solution that will solve this country's energy woes, it is my belief that increased domestic energy production will help bring down the cost of oil by increasing supply

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<sup>1</sup> Statement of Rep. Dan Benishek, October 12, 2011, <http://www.dailypress.net/page/content.detail/id/532836/More-stimulus-spending-won-t-fix-economy.html>

<sup>2</sup> PricewaterhouseCoopers LLP, "The Economic Impacts of the Oil and Natural Gas Industry on the U.S. Economy: Employment, Labor Income and Value Added," May 2011 (based on 2009 IMPLAN database).

<sup>3</sup> Bureau of Labor Statistics, Quarterly Census of Employment and Wages, Accessed 12/8/2011.

to meet to demand. To that end, I am supportive of policies that will help the U.S. responsibly and safely increase its domestic production.”

### **Keystone XL Pipeline...**

“I am disappointed the Obama Administration has chosen to block the Keystone XL Pipeline project, which has the potential to create thousands of jobs and enjoys bipartisan support from Republicans, Democrats, labor groups and the President’s own Jobs Council. The Pipeline is a good example of a private sector initiative that will create real jobs for many Americans.”

### **Picking “Winners” and “Losers” In the Energy Sector...**

“The federal government, in my view, should not pick ‘winners and losers’ among private industries. In a free market economy, it is my belief that if a company makes a good product consumers will not need encouragement in the form of government-guaranteed loans to purchase it. In my judgment, the less the federal government interferes in the private marketplace, the better the environment for job creation across the industrial sectors.”

### **The Solyndra Fiasco...**

“Despite being widely reported as a “Green-Energy” success story by the Obama Administration, Solyndra filed for bankruptcy and shut its doors for good. Solyndra should serve as a warning. It is disturbing to think that a private company and government officials would knowingly risk \$535 million in taxpayer dollars.”

### **Burdensome Regulations and Red Tape...**

“The Small Business Administration estimates that burdensome federal regulations cost America’s economy an estimated \$1.75 trillion a year. Supply barriers in the form of overregulation to responsible energy production must be eliminated in order to help lower energy prices.”

## **Cosponsored Legislation:**

### **H.R. 909: Roadmap for America's Energy Future**

Sponsor: Rep Nunes, Devin [R-CA-21] (introduced 3/3/2011) Cosponsors: 73  
Committees: House Natural Resources; House Oversight and Government Reform; House Ways and Means; House Energy and Commerce; House Armed Services  
Latest Major Action: 6/3/2011 Referred to House subcommittee. Status: Referred to the Subcommittee on Readiness.

### **H.R. 910: Energy Tax Prevention Act of 2011**

Sponsor: Rep Upton, Fred [R-MI-6] (introduced 3/3/2011) Cosponsors: 95  
Committees: House Energy and Commerce; Senate Environment and Public Works  
Latest Major Action: 4/8/2011 Referred to Senate committee. Status: Received in the Senate and Read twice and referred to the Committee on Environment and Public Works.

### **H.R. 153: Ensuring Affordable Energy Act**

Sponsor: Rep Poe, Ted [R-TX-2] (introduced 1/5/2011)

Cosponsors: 60

Committees: House Energy and Commerce

Latest Major Action: 2/1/2011 Referred to House subcommittee. Status: Referred to the Subcommittee on Energy and Power.

### **Energy Key Votes:**

**H.R. 1938: The "North American-Made Energy Security Act"** seeks to expedite the Presidential Permit approval process necessary for the Keystone XL pipeline extension. The extension of the Keystone XL pipeline from Canada's oil sands to destinations on the Gulf Coast of the United States will allow for an additional 830,000 barrels per day of Canadian oil to be delivered to the United States. A Canadian research institute estimated that this project will create 340,000 jobs and \$34 billion in revenue for the United States government. Construction of the pipeline alone is estimated to create 10,000 jobs in the United States.

> *Rep. Benishek voted in support of this legislation on July 26, 2011. The bill passed the House 279-147*

**H.R. 910: The "Energy Tax Prevention Act of 2011"** would prohibit the EPA from making regulations on green house gas and automobile emissions.

> *Rep. Benishek voted in support of this legislation on April 17, 2011. The bill passed the House 255-172.*

**H.R. 1229: The "Putting the Gulf of Mexico Back to Work Act,"** would end the Administration's de facto moratorium in the Gulf of Mexico in a safe, responsible, transparent manner by setting firm time-lines for considering permits to drill. It reforms current law by requiring the Secretary of the Interior to issue a permit to drill and also requiring the Secretary to conduct a safety review.

> *Rep. Benishek voted in support of this legislation on May 11, 2011. The bill passed the House 263-163.*

**H.R. 1231: The "Reversing President Obama's Offshore Moratorium Act,"** would lift the President's ban on new offshore drilling by requiring the Administration to move forward in the 2012-2017 lease plan with energy production in areas containing the most oil and natural gas resources. The bill sets a production goal of 3 million barrels of oil per day by 2027, which would reduce foreign imports by nearly one-third.

> *Rep. Benishek voted in support of this legislation on May 12, 2011. The bill passed the House 243-179.*